

§ 367.2

18 CFR Ch. I (4–1–16 Edition)

The term includes preliminary investigations and detailed planning of specific projects for securing for customers' non-conventional electric power or pipeline gas supplies that rely on technology that has not been verified previously to be feasible. The term does not include expenditures for efficiency surveys; studies of management, management techniques and organization; consumer surveys, advertising, promotions, or items of a like nature.

(41) *Retained earnings* means the accumulated net income of the service company less distribution to stockholders and transfers to other capital accounts.

(42) *Retirement units* means those items of property which, when retired, with or without replacement, are accounted for by crediting the book cost of the retirement units to the property account in which it is included.

(43) *Salvage value* means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

(44) *Service* means any managerial, financial, legal, engineering, purchasing, marketing, auditing, statistical, advertising, publicity, tax, research, or any other service (including supervision or negotiation of construction or of sales), information or data, which is sold or furnished for a charge.

(45) *Service company* means any associate company within a holding company system organized specifically for the purpose of providing non-power goods or services or the sale of goods or construction work to any public utility or any natural gas company, or both, in the same holding company system.

(46) *Service cost* means the total of direct and indirect costs incurred to provide a service to an associate or non-associate company which are properly charged to expense by the service company.

(47) *Service life* means the time between the date property is placed in service, or property is leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis,

then service life should be measured in terms of the appropriate unit of production.

(48) *Service value* means the difference between the cost and net salvage value of service property.

(49) *State commission* means any commission, board, agency, or officer, by whatever name designated, of a State, municipality, or other political subdivision of a State that, under the laws of such State, has jurisdiction to regulate public-utility companies.

(50) *Uniform System of Accounts* (USofA) means the Uniform System of Accounts for Centralized Service Companies prescribed in this part, as amended from time to time.

(51) *Utility company* means a public-utility company or natural gas company whose rates are regulated by the Commission, state commission or other similar regulatory body.

(b) [Reserved]

[Order 684, 71 FR 65226, Nov. 7, 2006, as amended by Order 731, 74 FR 68529, Dec. 28, 2009]

Subpart B—General Instructions

§ 367.2 Companies for which this system of accounts is prescribed.

(a) Unless otherwise exempted or granted a waiver by Commission rule or order pursuant to §§ 366.3 and 366.4 of this chapter, this Uniform System of Accounts applies to any centralized service company operating, or organized specifically to operate, within a holding company system for the purpose of providing non-power services to any public utility or any natural gas company, or both, in the same holding company system.

(b) This Uniform System of Accounts is not applicable to:

(1) Service companies that are specifically organized as a special-purpose company such as a fuel supply company or a construction company.

(2) Electric or gas utility companies.

(3) Companies primarily engaged:

(i) In the production of goods, including exploration and development of fuel resources,

(ii) In the provision of water, telephone, or similar services, the sale of which is normally subject to public rate regulation,

(iii) In the provision of transportation, whether or not regulated, or

(iv) In the ownership of property, including leased property and fuel reserves, for the use of associate companies.

(4) A service company that provides services exclusively to a local gas distribution company.

(5) Holding companies.

(c) To the extent that the term service company is used in this Uniform System of Accounts, it applies only to centralized service companies.

[Order 684, 71 FR 65226, Nov. 7, 2006, as amended by Order 731, 74 FR 68529, Dec. 28, 2009]

§ 367.3 Records.

(a) Each service company must keep its books of account, and all other books, records, and memoranda that support the entries in the books of account, so as to be able to furnish full information on any item included in any account. Each entry must be supported by sufficient detailed information that will permit ready identification, analysis, and verification of all facts relevant and related to the records.

(b) The books and records referred to in this part include not only accounting records in a limited technical sense, but all other records, such as minutes books, stock books, reports, correspondence, and memoranda, that may be useful in developing the history of or facts regarding any transaction.

(c) No service company may destroy any books or records unless the destruction is permitted by the rules and regulations of the Commission.

(d) In addition to prescribed accounts, clearing accounts, temporary or experimental accounts, and sub-accounts of any accounts may be kept, provided the integrity of the prescribed accounts is not impaired.

(e) The arrangement or sequence of the accounts prescribed in this part must not be controlling as to the arrangement or sequence in report forms that may be prescribed by the Commission.

§ 367.4 Numbering system.

(a) The account numbering plan used in this part consists of a system of three-digit whole numbers as follows:

(1) 100-199, Assets and other debits.

(2) 200-299, Liabilities and other credits.

(3) 300-399, Property accounts.

(4) 400-432 and 434-435, Income accounts.

(5) 433, 436 and 439, Retained earnings accounts.

(6) 457-458, Revenue accounts.

(7) 500-599, Electric operating expenses.

(8) 800-894, Gas operating expenses.

(9) 900-949, Customer accounts, customer service and informational, sales, and general and administrative expenses.

(b) The numbers prefixed to account titles are to be considered as parts of the titles. Each service company, however, may adopt for its own purposes a different system of account numbers (*See also* General Instructions in § 367.3(d)) provided that the numbers prescribed in this part must appear in the descriptive headings of the ledger accounts and in the various sources of original entry; however, if a service company uses a different system of account numbers and it is not practicable to show the prescribed account numbers in the various sources of original entry, the reference to the prescribed account numbers may be omitted from the various sources of original entry. Each service company using different account numbers for its own purposes must keep readily available a list of the account numbers that it uses and a reconciliation of those account numbers with the account numbers provided in this part. It is intended that the service company's records must be kept so as to permit ready analysis by prescribed accounts (by direct reference to sources of original entry to the extent practicable) and to permit preparation of financial and operating statements directly from the records at the end of each accounting period according to the prescribed accounts.

§ 367.5 Accounting period.

Each service company must keep its books on a monthly basis so that for each month all transactions applicable